

Key facts ¹	
S&P Fund Management Rating	'AAA'
OBSR Fund Rating	'AAA'
Citywire Fund Manager Rating	'A'
Fund launch date	24 July 1995
Share types	Accumulation and Income
Fund size	£5,789.19m
Mid price:	
Accumulation shares	£1.39
Income shares	£0.82
Running yield ³	4.96%
Redemption yield ³	4.57%
Distribution yield ³	5.16%
Income distribution dates	30 June 31 December
Accounting period ends	30 April 31 October
Available within an ISA?	Yes

Top 10 holdings ¹	%
Sold Long Gilt Future	2.0
General Electric 6.5% £ Bonds 15/9/2017	1.6
US Treasury 4.5% US\$ Bonds 15/8/2039	1.4
Santander 11.3% £ Pref Bonds Perp	1.2
Siemens 6.125% £ Bonds 14/9/2016	1.2
Barclays Bank 14% £ Bonds Perp	1.1
Rentokil Initial 5.75% £ Bonds 31/3/2016	1.1
Heineken 7.25% £ Bonds 10/3/2015	1.0
John Lewis 8.375% £ Bonds 8/4/2019	1.0
Sold Bund Future	1.0
Total	12.6
Total number of holdings:	421



Fund Management: Paul Causer & Paul Read

Regional commentary

Fixed interest markets continued to be dominated by the deteriorating confidence in Greek government debt. S&P downgraded Greece by three notches to junk status and also Portugal and Spain to a lesser degree. Corporate bond markets largely shrugged off sovereign concerns and saw another month of positive returns. According to data from Merrill Lynch, sterling BBB rated spreads narrowed by 4bps and spreads on sterling bank debt also decreased marginally. However, with Eurozone banks holding €1.5 trillion of government debt according to ECB data, euro Tier 1 bank spreads widened by 62bps. Elsewhere, the UK's Monetary Policy Committee again voted unanimously to keep interest rates unchanged at 0.5% and to maintain the quantitative easing programme at £200bn. Annual CPI inflation increased to 3.4% in March, after it had dropped to 3.0% in February. Much of the increase was due to the rise in oil and petrol prices.

Fund strategy

In terms of strategy, we continue to prefer corporate over government bonds, as we believe that the latter could struggle to see a meaningful rally in the face of record deficits and soaring issuance. Nonetheless, volatility may present some opportunities in government bonds. Within investment-grade corporate bonds, the defensive sectors such as utilities and energy, are no longer offering the value that they were a year ago and capital returns in these sectors are likely to be more modest. Nonetheless, there remain sections of the market that offer attractive opportunities. We continue to see some value in higher yielding investment-grade names and better quality high-yield issuers. In particular, we see value in insurance and financials where both yields and spreads remain attractive.

Investment objective

The Invesco Perpetual Corporate Bond Fund aims to achieve a high level of overall return, with relative security of capital. It intends to invest primarily in fixed interest securities. In pursuing this objective, the fund managers may include investments that they consider appropriate which include transferable securities, money market instruments, warrants, collective investment schemes, deposits and other permitted investments and transactions as detailed in Appendix 2 of the most recent Full Prospectus, although the fund will not invest in any instrument which gives rise to a stamp duty liability.

ICVC Investment Series

The Corporate Bond Fund is a sub-fund of the Invesco Perpetual Fixed Interest Investment Series, which is a UK authorised investment company with variable capital (ICVC).

Performance profile ²								% growth	
	3 months	6 months	1 year	3 years	5 years	ACR	10 years	ACR	
Fund	2.2	6.1	28.5	20.9	28.6	5.2	83.0	6.2	
IMA Sector	2.5	5.1	25.9	8.1	12.8	2.4	47.8	4.0	

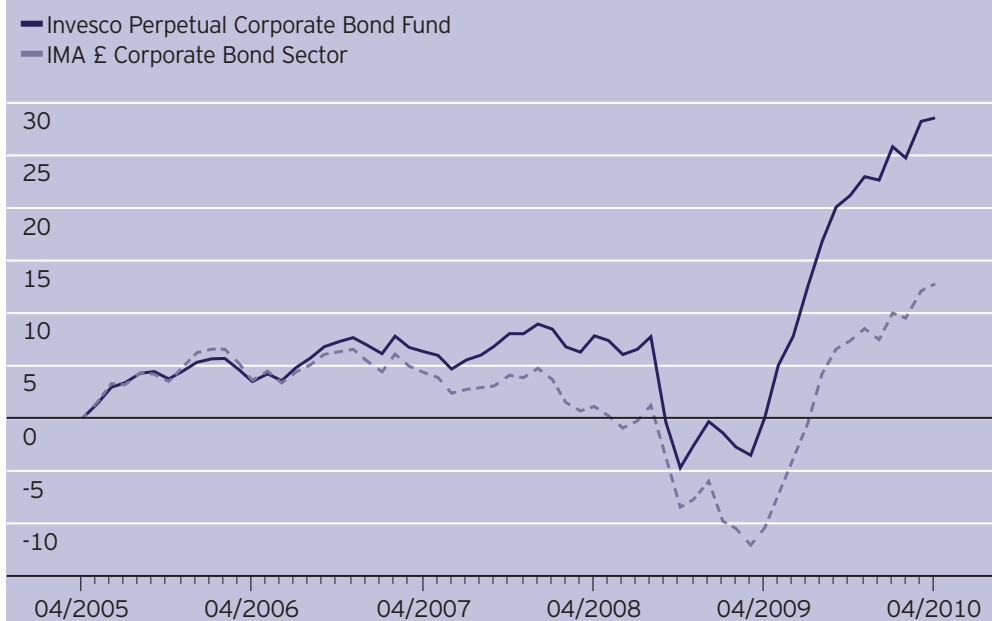
Standardised rolling 12-month performance ²						% growth	
	31.3.05	31.3.06	31.3.07	31.3.08	31.3.09	31.3.09	31.3.10
Fund	4.9	2.1	-0.4	-9.2	32.9		

Past performance is not a guide to future returns. The standardised past performance information is updated on a quarterly basis. Should you require up-to-date past performance information this is available on our website www.invescoperpetual.co.uk or by contacting us. 'No Trail' shares and gross shares are available for this fund.

Corporate Bond Fund

May 2010 (covering the month of April 2010)

Five year performance²



Past performance is not a guide to future returns. The chart shown above should be viewed in conjunction with the 'Standardised rolling 12-month performance' table overleaf.

Breakdown by credit rating ¹	%
AAA	3.9
AA	2.0
A	26.2
BBB	45.3
BB	11.6
B	3.0
CCC	0.2
CC	0.9
C	0.7
Non-Rated (Investment Grade)	5.0
Non-Rated (High Yield)	0.2
Cash	1.0
Total	100

Important information

¹ All fund portfolio figures within this leaflet are as at 30 April 2010 (source: Invesco Perpetual). S&P Fund Rating as at 30 April 2010, Copyright© 2010 Standard & Poor's, a Division of The McGraw-Hill Companies, Inc. All rights reserved.

² Performance figures are shown in sterling on a mid-to-mid basis, inclusive of net reinvested income and net of the annual management charge and all other fund expenses to 30 April 2010. The figures do not reflect the initial (sales) charge paid by individual investors. Graph figures are as at the end of the relevant month unless otherwise stated. Standardised past performance figures are as at 31 March 2010. (Source: Lipper)

Important information

³ The yields shown are expressed as % per annum of current NAV of the fund. They are estimates for the next 12 months, assuming that the fund's portfolio remains unchanged and there are no defaults or deferrals of coupon payments or capital repayments. They are not guaranteed. They are shown net of all fund charges and do not reflect the initial (sales) charge of the fund. Investors may be subject to tax on distributions. Cash income is estimated coupons from bonds and, where applicable, estimated dividends from equities. The running yield estimates expected cash income into the fund from coupons of current bond holdings and, where applicable, dividends from current equity holdings. The redemption yield estimates the annualised total return: in addition to expected cash income, it includes the amortised annual value of unrealised capital gains/losses of current bond holdings, calculated with reference to their current market price and expected redemption value. The distribution yield estimates the cash distribution to the shareholders: in addition to expected cash income, it includes the amortised annual value of current bond holdings, calculated with reference to their historic purchase price and expected redemption value (known as 'effective yield from purchase price' method). For this fund, the distribution yield is the same as the underlying yield. Where, in the Manager's judgement, there is significant uncertainty that a bond holding will be redeemed at par, the amortised capital component for that holding is retained in the fund's capital and not distributed. This has the effect of reducing the estimated redemption, distribution and underlying yields and the actual distribution rate.

The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested.

Past performance is not a guide to future returns.

The fund invests in bonds and other fixed income securities that are subject to the risk that issuers do not make payments on such securities. The fund may be adversely affected by a decrease in market liquidity which may impair the fund's ability to acquire or to dispose of securities at their intrinsic value. The fund may invest in high-yield bonds which are regarded as being more speculative (than investment-grade bonds) as to the issuer's ability to make payments of principal and interest.

Where Invesco Perpetual has expressed views and opinions, these may change.

Please refer to the latest Full Prospectus, Simplified Prospectuses and ISA Key Features, and latest Annual or Interim Short Reports for more information on our funds. Further information on our products is available using the contact details shown.

Invesco Perpetual's ISAs are managed by Invesco Asset Management Limited.

Telephone calls may be recorded.

Contact information

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Invesco Perpetual is a business name of Invesco Fund Managers Limited and Invesco Asset Management Limited.
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